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25 July 1984MEMORANDUM FOR: 

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VIA: Chief, Liaison Division/OLL *3*FROM: 

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Liaison Division/OLL

SUBJECT: 17 July 1984 Washington Times Article  
Titled, "Sandinistas, Cocaine Traffic  
In U.S. Linked"

1. Yesterday I received a phone call from Thomas K. Latimer, House Permanent Select Committee on Intelligence (HPSCI) Staff Director, inquiring about the above mentioned article in The Washington Times.

2. What he is mainly concerned about is the highlighted portion of the article. He wants to know if any of our sources observed the plane land or if we have any other facts that we know about regarding this incident?

3. Please check with the appropriate office(s) and let me know.

25X1

Attachment

## Distribution:

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ARTICLE APPEARED  
ON PAGE A-1

WASHINGTON TIMES  
17 July 1984

*see p. 10*

# Sandinistas, cocaine traffic in U.S. linked

By Edmond Jacoby  
THE WASHINGTON TIMES

Key members of Nicaragua's Marxist military junta have been linked to cocaine smuggling into the United States, according to U.S. sources here.

The connection was provided to U.S. drug enforcement officials by a pilot who told the officials he flew two shipments of drugs from Nicaragua to a secret destination in Florida. In the process, the pilot was shot down by the Nicaraguans themselves in a "Keystone Kops" mixup.

His information was corroborated in part by U.S. surveillance mechanisms.

As outlined to The Washington Times, the reported Nicaraguan connection is a byproduct of efforts to snare three of Colombia's top drug traffickers.

According to sources, a number of highly placed Nicaraguan government officials actively participated in the drug smuggling operation, including Defense Minister Humberto Ortega, one of the nine members of the ruling Sandinista junta and the brother of junta leader Daniel Ortega, and Interior Minister Tomas Borge-Martinez.

While sources would not say how long Nicaragua had been involved in alleged smuggling operations, they provided an account of a smuggling operation last month based on the independently corroborated account of the pilot.

The pilot, said to be a Drug Enforcement Administration informant or operative, was recruited by the Sandinistas this spring and given money to buy an airplane for drug smuggling, the sources said.

After buying the airplane, they said, he flew it to Nicaragua, where he landed at a remote airstrip.

Inexplicably, he was arrested immediately by the local Nicaraguan militia.

He was released and given fuel to continue his flight, sources said, only after the militia commander spoke with Mr. Borge's "right-hand man."

Upon his arrival at Managua's Sandino airport, he parked the airplane in the area reserved for military and official aircraft, the sources said.

A civilian aircraft can only be parked in the military area at Sandino Airport with the approval of the defense minister — Humberto Ortega — U.S. authorities said.

The pilot left the airport and later returned in a limousine with Mr. Borge's "right-hand man" and a shipment of Colombian cocaine. Together the two men transferred the cocaine to the airplane, the sources said.

It is at this point that the pilot's account as told to DEA officials was authenticated by an independent government agency, other sources told the Times.

Unaware of what was going on, that agency observed the civilian airplane and the limousine at the "wrong place" at Sandino Airport, and reported it as an unusual activity, they said.

In what was described by some sources as a misadventure and by others as an example of the enmity between the defense and interior

ministers, the airplane was shot down by "Sandinista enthusiasts" shortly after taking off from the airport. The pilot and his cargo were unharmed.

Mr. Borge's "right-hand man" gave the pilot more money and sent him to buy another airplane, the sources told the Times, with which he completed the smuggling flight last month.

A second flight also took place, and the pilot was to have flown a 1,500-pound shipment of cocaine to Florida this week, but was pulled out of Nicaragua by DEA when it appeared likely news stories would disclose to the Sandinistas his relationship to U.S. authorities.

Sources said it would be impossible for Mr. Borge to act alone as a transshipper of narcotics between Colombia and the United States. At the same time, they said, Mr. Borge has been vying for power with Humberto Ortega, who controls the military parking area at Sandino

Airport, leading them to believe the two would not cooperate under ordinary circumstances.

Instead, intelligence analysts here conclude the entire junta imposed a truce between the two men to facilitate the activity.

The evidence linking the junta through Mr. Borge with drugs smuggled into the U.S. was a closely held secret while discussions were held between DEA and the White House.

DEA is using evidence gathered from the flights to seek indictments against Colombian congressman Pablo Escobar Gaviria and two accomplices, one of them Fabio Restrepo Ochoa, who was implicated in cocaine trafficking by a \$1 million receipt found during a raid on a Colombian jungle narcotics factory in March.

The two Colombians, and a third whose name has not been disclosed by government officials, were identified as the original shippers of the

drugs flown to Florida from Managua.

The White House, on the other hand, has wanted to release information about Nicaraguan complicity in the activity, and perhaps seek indictments of members of the Nicaraguan junta, to substantiate its long-standing claim the Sandinistas dabble in drug smuggling to bring in hard currency with which to pay for their growing military operations at a time of economic decline in Nicaragua.

The drug smuggling operation was disclosed June 29 by Gen. Paul Gorman, commander of the U.S. Southern Military Command, in remarks to the San Salvador Chamber of Commerce, although the story was successfully kept out of U.S. media. Junta leader Daniel Ortega commented the next day that Gen. Gorman's remarks were "not the first time the United States has resorted to defamatory campaigns of this type."